

Rebuttal Testimony

Of

Cheri Harden

Rates Department

Financial Analysis Division

Illinois Commerce Commission

Ameren Illinois Company

Revenue-Neutral Tariff Changes Related To Rate Design

Docket No. 13-0476

November 27, 2013

1 **Q. Would you please state your name and business address?**

2 A. My name is Cheri Harden. My business address is 527 East Capitol Avenue,
3 Springfield, Illinois 62701.

4
5 **Q. Are you the same Cheri Harden who filed direct testimony in this case?**

6 A. Yes, I am. I provided direct testimony in this case as ICC Staff Exhibit 2.0, filed
7 on e-Docket on October 17, 2013.

8
9 **Q. Please state the purpose of your rebuttal testimony.**

10 A. I respond to the rebuttal testimonies presented by Leonard M. Jones in Ameren
11 Exhibit 4.0 and Ryan K. Schonhoff in Ameren Exhibit 5.0.

12
13 **Q. Are you sponsoring any schedules as part of your rebuttal testimony?**

14 A. No, I am not sponsoring any schedules as part of my rebuttal testimony.

15
16 **Q. Please summarize your recommendations from your direct testimony.**

17 A. In my direct testimony, I recommended that the Commission (1) approve Ameren
18 Illinois Company's ("Ameren") methodology for moving toward uniform rates; (2)
19 require that Ameren maintain uniform rates once they are established; (3)
20 approve Ameren's proposed adjustment to DS-3 and DS-4 +100 kV customers to
21 rely on the average cost data; (4) approve the Company's proposed rate
22 uniformity methodology as it pertains to DS-5 and the rates that cross-over; (5)
23 approve Ameren's proposed increases in the percentage of SFV fixed cost

recovery for DS-1 and DS-2 in this proceeding; (6) not approve Ameren's proposed automatic increases in SFV fixed cost recovery in subsequent proceedings; (7) approve the previous method to set Meter, Transformation, Reactive Demand and Distribution Delivery Charges; (8) approve Ameren's proposal to establish DS-6 Temperature Sensitive Delivery Service rates subject to any issues or concerns raised by other parties; (9) approve the Company's proposal to condense the uncollectibles recovered in base rates to a single non-residential value; (10) approve Ameren's proposed miscellaneous tariff changes; and (11) not approve Ameren's proposal to lower the rate of the Transformation Capacity or Distribution Delivery Charges for DS-4 +100 kV Supply Service only for customers in Rate Zone II who have taken service as of December 31, 2012.

Q. Do you continue to support these recommendations?

A. Yes.

Q. Do you need to clarify any of these recommendations?

A. Yes, as noted below, I would like to clarify two of my recommendations from my direct testimony.

Q. Do you still recommend that the Commission approve Ameren's proposal to establish a DS-6 Temperature Sensitive Delivery Service?

A. Yes, my initial recommendation to approve Ameren's proposal to establish DS-6 Temperature Sensitive Delivery Service rates was subject to any issues or

concerns raised by other parties. The Grain & Feed Association (“GFA”) proposed modifications to DS-6 in direct testimony. Ameren Exhibit 5.5 represents a resolution of their differences.

Q. Is an explanation provided for Ameren Exhibit 5.5?

A. Yes. Ameren witness Schonhoff’s rebuttal testimony describes Ameren Exhibit 5.5, the agreement reached between Ameren and GFA (“the Parties”). (Ameren Ex. 5.0 at 20-25.) Ameren agreed to phase-out the DS-3 and DS-4 rate limiter credits over a three year period rather than eliminating the rate limiter credits to coincide with the implementation of DS-6. The parties also reached agreement on the temperature thresholds for DS-6, the level of Excess Demand Charges for Tier 1 and Tier 2 and the time periods applicable to the Excess Demand Charges. In addition, the parties agreed to not limit the number of customers that could switch to DS-6.

Q. Do you recommend approval of the agreement between Ameren and GFA?

A. Yes. Ameren Exhibit 5.5 represents an agreement that is acceptable to both the Parties and to Staff. I recommend approval of Ameren’s proposal to establish a DS-6 Temperature Sensitive Delivery Service subject to the changes shown in Ameren Exhibit 5.5.

68 **Q. Do you still disagree with Ameren changing the rate uniformity that has**
69 **been established for Rate Zone II DS-4 +100 kV customers taking service as**
70 **of December 31, 2012?**

71 A. Yes, I recommend the Commission reject the Company's proposal to reduce the
72 Transformation Charge for these customers. Ameren witness Jones states that
73 either the Transformation Charge must deviate from uniform pricing *or* the EDT
74 (Electric Distribution Tax) Cost Recovery Charge must ultimately deviate from
75 cost-based pricing for the sub-class. (Ameren Ex. 4.0 at 11.) However, the
76 Transformation Charge has been uniformly set for Rate Zone II and should not
77 be reduced for these specific customers. Ameren is still working toward the goal
78 of uniformity for EDT; therefore, EDT has not yet been set at a uniform rate. The
79 EDT rate for this sub-class should be reduced so that this sub-class does not
80 produce more than its share of the total allocated revenue requirement. As for
81 rate uniformity, the Company's proposal would reduce the number of rates that
82 are uniform, whereas my proposal maintains uniformity already established and
83 still provides for some movement toward rate uniformity for the EDT.

84
85 **Q. Could Ameren's proposed lower rate for Rate Zone II DS-4 +100 kV**
86 **customers taking service as of December 31, 2012, be confusing for**
87 **customers as you noted in your direct testimony?**

88 A. Yes. Ameren witness Jones disagrees that the proposal is unnecessarily
89 complicated and confusing to customers in his rebuttal testimony. He notes that
90 there are only three customers at five service points that are impacted by this

91 rate. (Ameren Ex. 4.0 at 10.) However, Mr. Jones fails to consider that any new
92 customers that have signed up for service in 2013 could be confused as well as
93 any future customers by having different rates for the same service being
94 provided by Ameren to the same class of customers.

95
96 **Q. Please summarize your clarifications for your recommendations in your**
97 **rebuttal testimony.**

98 A. I recommend the Commission (1) approve the agreement between Ameren and
99 GFA on the implementation of DS-6 Temperature Sensitive Delivery Service; and
100 (2) reject Ameren's proposal to lower the rate of the Transformation Capacity
101 Charges for DS-4 +100 kV Supply Service for customers in Rate Zone II who
102 have taken service as of December 31, 2012.

103
104 **Q. Does this conclude your rebuttal testimony?**

105 A. Yes, it does.